

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2749 – SB 2913

April 17, 2012

SUMMARY OF AMENDMENT (016704): Requires a judge to order the use of an ignition interlock device (IID) if the judge grants the application for a restricted license following an implied consent violation.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$21,400/General Fund
Increase State Expenditures – \$160,000/Interlock Assistance Fund

Increase Local Revenue – \$9,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- Tenn. Code Ann. § 55-10-403 requires the use of an IID for implied consent violations if the person had a conviction of implied consent, underage driving while impaired, the open container law, or reckless driving charged with DUI within the last five years.
- Under current law, every DUI offender is required to pay an ignition interlock fee of \$40. Implied consent violators are not required to pay this fee; therefore, no impact to fee revenue allocated to the Interlock Assistance Fund (IAF).
- According to DOS, 788 restricted licenses were issued to implied consent violators. Approximately 157 implied consent violators are required to obtain an IID under current law.
- All implied consent offenders will be required to obtain and use an IID. An additional 631 (788 total – 157 currently required) offenders will be required to use an IID; 20 percent of these offenders will be declared indigent and will be eligible for assistance from the IAF.
- Approximately 126 (631 x 20%) additional indigent offenders.
- The maximum cost of installing and maintaining an IID for 12 months as required by current law is \$1,270.
- The total recurring increase in state expenditures from the IAF to cover all indigent offenders will be approximately \$160,020 (\$1,270 x 126).

- The amount of taxable sales from the sale and lease of IID equipment will be \$641,096 (631 offenders x 80% non-indigent x \$1,270). Approximately 50 percent of these sales will occur in the absence of this bill.
- Pursuant to Tenn. Code Ann. § 67-6-103(a)(3)(A), local governments receive 4.5925 percent of state sales tax as state-shared sales tax revenue.
- The current state sales tax rate is 7.0 percent; the average local option sales tax rate is estimated to be 2.5 percent.
- The net recurring increase in state revenue is estimated to be \$21,408 $[(\$641,096 \times 50.0\% \times 7.0\%) - (641,096 \times 50.0\% \times 7.0\% \times 4.5925\%)]$.
- The total recurring increase in local revenue is estimated to be \$9,044 $[(\$641,096 \times 50\% \times 2.5\%) + (\$641,096 \times 50\% \times 7.0\% \times 4.5925\%)]$.
- According to the Department of Safety, any increase in workload for certifying installers and monitoring offenders can be handled within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jaw